

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2450

To prohibit delinquent taxpayers from receiving Federal benefits or employment, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22 (legislative day, SEPTEMBER 12), 1994

Mr. LAUTENBERG introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To prohibit delinquent taxpayers from receiving Federal benefits or employment, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Tax Compliance En-  
5       forcement Act of 1994”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

8               (1) The term “person” includes an individual,  
9       partnership, corporation, association, or public or  
10      private organization.

1           (2) The term “current in payment” means a  
2           person either has no outstanding Federal tax obliga-  
3           tion owed to the United States Treasury (including  
4           any associated interest and penalties), or is in com-  
5           pliance with a payment schedule established by the  
6           Internal Revenue Service with respect to an out-  
7           standing Federal tax obligation.

8           (3) The term “current in filing” means a per-  
9           son is in compliance with all filing requirements  
10          under sections 6071, 6072, and 6075 of the Internal  
11          Revenue Code of 1986.

12          (4) The term “delinquent taxpayer” means any  
13          person who is not current in payment or current in  
14          filing with respect to any Federal tax obligation (in-  
15          cluding any associated interest and penalties).

16          (5) The term “Federal benefit”—

17                (A) means the issuance of any grant, con-  
18                tract, loan, professional license, or commercial  
19                license provided by an agency of the United  
20                States or as the result of appropriated funds of  
21                the United States; and

22                (B) does not include any retirement, wel-  
23                fare, social security, health, disability, veterans,  
24                public housing, or other similar benefit, or any

1           other benefit for which payments or services are  
2           required for eligibility.

3           (6) The term “Federal tax obligation” means a  
4           tax obligation arising from a tax imposed under the  
5           Internal Revenue Code of 1986.

6           (7) The term “Commissioner” means the Com-  
7           missioner of the Internal Revenue Service.

8   **SEC. 3. PROHIBITION OF GOVERNMENT EMPLOYMENT OR**  
9                           **FEDERAL BENEFITS PROVIDED TO DELIN-**  
10                          **QUENT TAXPAYERS.**

11          (a) IN GENERAL.—No person shall receive any Fed-  
12          eral benefit, nor be hired as an officer or employee of the  
13          Government of the United States, if that person is a delin-  
14          quent taxpayer.

15          (b) COVERAGE.—The prohibition in subsection (a)  
16          shall apply to any department, agency, or office of the  
17          Government of the United States, including—

18                  (1) the Legislative Branch of the United States,  
19                  and

20                  (2) the Judicial Branch of the United States.

21          (c) SUBGRANTEES AND SUBCONTRACTORS IN-  
22          CLUDED.—The prohibition in subsection (a) shall apply to  
23          any subgrantee or subcontractor, subject to reasonable  
24          limitations to be established by the Administrator of the  
25          General Services Administration.

1 (d) EXCEPTIONS.—The prohibition in subsection (a)  
2 may be waived by the appropriate head of the entity de-  
3 scribed in subsection (b), if the waiver is necessary to meet  
4 a critical governmental need.

5 (e) REGULATIONS.—The Commissioner shall promul-  
6 gate such regulations as are necessary to carry out this  
7 Act.

8 (f) EFFECTIVE DATE.—This section shall be effective  
9 on and after the date which is one year after the date  
10 of enactment of this Act.

11 **SEC. 4. INCREASES IN TAX-RELATED CRIMINAL FINES.**

12 (a) ATTEMPT TO EVADE OR DEFEAT TAX.—Section  
13 7201 of the Internal Revenue Code of 1986 (relating to  
14 attempt to evade or defeat tax) is amended by striking  
15 “\$100,000 (\$500,000 in the case of a corporation)” and  
16 inserting “\$325,000 (\$750,000 in the case of a corpora-  
17 tion)”.

18 (b) WILLFUL FAILURE TO FILE RETURN, SUPPLY  
19 INFORMATION, OR PAY TAX.—Section 7203 of the Inter-  
20 nal Revenue Code of 1986 (relating to willful failure to  
21 file return, supply information, or pay tax) is amended—

22 (1) by striking “\$25,000 (\$100,000 in the case  
23 of a corporation)” in the first sentence and inserting  
24 “\$125,000 (\$250,000 in the case of a corporation)”,  
25 and

1           (2) by inserting before the period at the end of  
2           the third sentence “and ‘\$325,000 (\$750,000 in the  
3           case of a corporation)’ for ‘\$125,000 (\$250,000 in  
4           the case of a corporation)’ ”.

5           (c) FRAUD AND FALSE STATEMENTS.—Section 7206  
6           of the Internal Revenue Code of 1986 (relating to fraud  
7           and false statements) is amended by striking “\$100,000  
8           (\$500,000 in the case of a corporation)” and inserting  
9           “\$325,000 (\$750,000 in the case of a corporation)”.

10          (d) FRAUDULENT RETURNS, STATEMENTS, OR  
11          OTHER DOCUMENTS.—Section 7207 of the Internal Reve-  
12          nue Code of 1986 (relating to fraudulent returns state-  
13          ments, or other documents) is amended by striking  
14          “\$10,000 (\$50,000 in the case of a corporation)” both  
15          places it appears and inserting “\$125,000 (\$250,000 in  
16          the case of a corporation)”.

17          (e) EFFECTIVE DATE.—The amendments made by  
18          this section shall apply to offenses committed after the  
19          date of the enactment of this Act.

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